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Executive Summary Report

Appraisal Date 1/1/2003 - 2003 Assessment Year/ 2004 Roll Year

Sales - Improved Summary:

Number of Sales: There have been no market sales in last year.

Sales – Ratio Study Summary:

There have not been sufficient sales of golf courses to make a ratio study.

Population Parcel Summary Data:

	Land	Imps.	Total
2002 Value	\$87,026,700	\$132,892,800	\$219,919,500
2003 Value	\$92,562,200	\$136,685,300	\$229,247,500
Percent Change	6.36%	2.85%	4.24%

Number of Parcels in the Golf Course Population: 235

Population - Improved Parcel Summary Data:

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2003 Assessment Roll.

A new Marshall and Swift cost approach was calculated for each parcel.
Typical golf course land values increased slightly. The changes in land values improved equalization of golf course properties.

Analysis Process

Specialty

- Specialty Area – 343 Golf Courses

Highest and Best Use Analysis

As if vacant: Market analysis of the area, together with current zoning, current and anticipated use patterns, indicate the highest and best use of the land. The highest and best use of a

property must be reasonably probable, legally permissible, physically possible, financially feasible and maximally productive. Currently, all of the golf courses are expected to remain as golf courses and are valued with this use as the highest and best use of the site.

As if improved: Present use.

Standards and Measurement of Data Accuracy:

Special Assumptions, Departures and Limiting Conditions

The sales comparison and cost approaches to value were considered for this mass appraisal valuation. After the sales verification process, the appraiser concluded that the market participants typically do not consider an income approach to value.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/00 to 1/03 were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of two years of market information without time adjustment averaged any net changes over that time period. The appraiser concluded that the market participants typically do not consider an income approach to value.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Golf Course Specialty- 343

There are 46 golf courses and driving ranges in this specialty. The following golf courses were inspected for the 2003 roll year:

- Broadmoor
- Cascade
- Druids Glen
- Elk Run
- Foster
- Links@ Olson Mansion
- Maplewood
- Overlake
- TPC @ Snoqualmie Ridge
- Trilogy

Boundaries: All of King County

Maps:

A general map of all golf courses included in this specialty is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

The golf industry continues to grow in King County. In the last few years new courses have opened throughout the suburban areas. Some new courses are Trilogy, Willow's Run, Druids Glen, Washington National, Newcastle, TPC @ Snoqualmie Ridge and The Links at Olson Mansion. All of these courses are located outside the metropolitan areas.

The Professional Golfers Association (PGA) sponsors four major championships annually. They include the following: The Masters, U.S. Open, British Open, and the P.G.A. Championship. The P.G.A Championship tournament was held at Sahalee Golf and Country Club in 1998 and brought international attention to golf in the Northwest. The P.G.A is planning to hold its tournament again at Sahalee in 2010. Sahalee will host the World Golf Championships-NEC Invitational in August of this year. The World Golf Championships were started in 1996 when the world's five governing bodies of golf agreed to create a new international event. These tournaments are above the weekly tour stops and a step below the majors.

The Tournament Players Course at Snoqualmie Ridge, which opened in June of 1999, is designed to accommodate major PGA events. It is anticipated that it will host its first PGA tournament this decade.

Opening at the end of May 2003, is the area's newest golf course, Trilogy Golf Club at Redmond Ridge. This is an 18-hole course, designed within a community for active adults above the age of 55. The par 70 course has a rating of 123 and a slope of 68.9. Trilogy's front nine is mostly level but has water shots to challenge the golfer. The back nine weaves through native forests and has undulating terrain. The course is open to the public and greens fees discounts are given to residents of the residential development. Construction of the course took over three years.

Washington National Golf Course, which is situated on naturally well-drained soil with minimal environmental considerations, was developed in only 15 months. This year, Washington National will host the 2003 NCAA Men's Western Regional Golf Championship (May 14-17), the 2003 US Open Sectional Qualifier.

One of the major issues facing developers today is the availability of water. A newer course in the Covington area, Druid's Glen, had trouble locating a permanent source of water. A sophisticated water recovery system in the fairways and greens had to be constructed to facilitate watering the course during the summer months. Druids Glen just completed its permanent clubhouse. The facility contains the pro-shop, a restaurant and also a small brewery.

SUMMARY ANALYSIS

A study of the market for golf courses was made in which information for comparable sales, lease and capitalization rates and replacement costs were researched. Little market information was available for comparable sales and income.

The most reliable approach to value was deemed to be the replacement cost less depreciation method. All cost information was from the Marshall Valuation Service. Costs were adjusted to reflect the local Seattle Market.

The costs for 2003 remained stable from the prior year.

A replacement cost less depreciation was calculated for each building and the fairways, greens etc. for all the courses in the area.

Preliminary Ratio Analysis

No ratio studies were conducted due to a lack of a sales sample.

Scope of Data

Major	Minor	Excise #	Sale Date	Sale Price	# acres	\$/ acre	Current Zoning
212305	9068	1815260	5/1/2001	1,200,000	65.90	18,200	R-14
152105	9001	1687896	5/27/1999	2,500,000	205.38	12,172	RA5SO
172007	9010	1765578	7/13/2000	180,000	18.75	9,600	A35
332407	9059	1757101	5/26/2000	175,000	12.34	14,181	RA2.5
142407	9059	1737232	2/18/2000	170,000	11.35	14,978	RA10
272407	9088	1735018	1/31/2000	290,000	28.34	10,233	RA10
272407	9089	1728290	12/8/1999	266,000	24.17	11,005	RA10
092107	9033	1726543	12/9/1999	140,000	10.01	13,986	F
092107	9028	1721665	11/9/1999	210,000	17.34	12,113	F
332106	9008	1711733	9/22/1999	150,000	18.59	8,069	A35
092107	9029	1703755	7/19/1999	125,000	10.01	12,482	F
272407	9091	1692554	6/17/1999	247,000	19.72	12,525	RA10
142406	9018	1690349	6/8/1999	225,000	26.44	8,510	RA5P
000640	0006	1685682	5/17/1999	240,500	15.06	15,969	A35
272407	9090	1681069	4/22/1999	256,500	19.82	12,941	RA10
142107	9016	1668363	2/18/1999	227,500	20.00	11,375	F
062407	9025	1666229	2/3/1999	184,950	12.85	14,393	RA5

Land Value Data:

The above chart shows large acreage land sales that were given primary consideration for valuing land.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Sales are listed in this report. There were no golf course sales in King County in the last three years.

Land Value

Land Sales, Analysis, Conclusions

There have been few sales of land that have been developed into golf facilities. The land values for the courses throughout King County were based on large acreage sales. Land values based on these sales were set to a range of \$7,000 to \$20,000 per acre with location and drainage taken into consideration. Most golf course land is valued at \$13,000 per acre. Land values of golf courses in urban locations are typically higher due to location. The most probable use of the golf courses is to remain in use as a golf course, therefore, golf course land transactions and large acreage sales were used to determine land values.

Improved Parcel Total Values:

Sales comparison approach model description

There were no market sales of golf courses in the last three years.

Cost approach model description

Traditionally, the cost approach has been accorded unusual weight in the valuation of a golf course because they are not frequently exchanged in the market place and they are special purpose properties.

The Marshall & Swift Commercial Estimator was used for estimating golf course improvement values. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area.

Cost calibration

Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the computerized valuation model supplied by Marshall & Swift Valuation Service.

Income capitalization approach model description

The income approach was not used for Golf Course properties.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

Jean Platt reviewed all the values set for the 2003 assessment year and determined that these values represent market value.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate.

No ratio studies were completed in this specialty due to lack of sales.

The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in an average total change from the 2002 assessments of +4.24%. The increase is due to new construction, changes in land value and updating of property characteristics.

Note: More details of information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

USPAP Compliance

Client and Intended Use of the Appraisal:

*This summary mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **summary mass appraisal report** as stated in USPAP SR 6-7. To fully understand this report the reader may need to refer to the Assessor's Property Record Cards, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.*

The purpose of this report is to explain and document the methods, data and analysis used in revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The revaluation is subject to their periodic review.

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65) . . . or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65, 66, No. 65, 12/31/65)

Highest and Best Use

WAC 458-12-330 **REAL PROPERTY VALUATION—HIGHEST AND BEST USE.**

All property, unless otherwise provided by statute, shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Uses which are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in estimating the highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that

the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property rights appraised:

Fee Simple

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Special assumptions and limiting conditions:

That no opinion as to title is rendered. Data on ownership and the legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions unless shown on the maps or property record cards. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

That rental areas herein discussed have been calculated in accord with standards developed by the American Standards Association as included in Real Estate Appraisal Terminology.

That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

That no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.

That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

Exterior inspections were made of all properties however, due to lack of access few received interior inspections.

The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.

We appraise fee simple interest in every property. Unless shown on the Assessor's parcel maps, we do not consider easements as adversely affecting property value.

We have attempted to segregate personal property from the real estate in our appraisals.

We have not appraised movable equipment or fixtures as part of the real estate. We have appraised identifiable permanently fixed equipment with the real estate in accordance with RCW 84.04.090 and WAC 458-12-010.

We have considered the effect of value of those anticipated public and private improvements of which we have common knowledge. We can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.

The appraisers have no personal interest or bias toward any properties that they appraise.

Departure Provisions:

Which if any USPAP Standards Rules were departed from or exempted by the Jurisdictional Exception

SR 6-2 (g)

The assessor has no access to title reports and other documents. Because of budget limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. The mass appraisal must be completed in the time limits as indicated in the Revaluation Plan and as budgeted.